

shall be responsible for the effective functioning of the “Agreement on Mutual Recognition Between the United States of America and the European Community,” from which this part is derived.

(b) The Joint Committee may establish Joint Sectoral Committees comprised of appropriate regulatory authorities and others deemed necessary.

(c) The United States and the EC shall each have one vote in the Joint Committee. The Joint Committee shall make its decisions by unanimous consent. The Joint Committee shall determine its own rules and procedures.

(d) The Joint Committee may consider any matter relating to the effective functioning of that agreement. In particular it shall be responsible for:

(1) Listing, suspension, withdrawal and verification of conformity assessment bodies (CAB’s) in accordance with that agreement;

(2) Amending transitional arrangements in the sectoral annexes to that agreement;

(3) Resolving any questions relating to the application of that agreement not otherwise resolved in the respective Joint Sectoral Committees;

(4) Providing a forum for discussion of issues that may arise concerning the implementation of that agreement;

(5) Considering ways to enhance the operation of that agreement;

(6) Coordinating the negotiation of additional sectoral annexes to that agreement; and

(7) Considering whether to amend that agreement in accordance with § 26.80.

(e) When a party introduces new or additional conformity assessment procedures affecting a sectoral annex to that agreement, the parties shall discuss the matter in the Joint Committee with a view to bringing such new or additional procedures within the scope of that agreement and the relevant sectoral annex.

#### **§ 26.74 Preservation of regulatory authority.**

(a) Nothing in this part shall be construed to limit the authority of a party to determine, through its legislative, regulatory, and administrative measures, the level of protection it con-

siders appropriate for safety; for protection of human, animal, or plant life or health; for the environment; for consumers; and otherwise with regard to risks within the scope of the applicable subpart A or B of this part.

(b) Nothing in this part shall be construed to limit the authority of a regulatory authority to take all appropriate and immediate measures whenever it ascertains that a product may:

(1) Compromise the health or safety of persons in its territory;

(2) Not meet the legislative, regulatory, or administrative provisions within the scope of the applicable subpart A or B of this part; or

(3) Otherwise fail to satisfy a requirement within the scope of the applicable subpart A or B of this part. Such measures may include withdrawing the products from the market, prohibiting their placement on the market, restricting their free movement, initiating a product recall, and preventing the recurrence of such problems, including through a prohibition on imports. If the regulatory authority takes such action, it shall inform its counterpart authority and the other party within 15 days of taking such action, providing its reasons.

#### **§ 26.75 Suspension of recognition obligations.**

Either party may suspend its obligations under subpart A or B of this part, in whole or in part, if:

(a) A party suffers a loss of market access for the party’s products within the scope of subpart A or B of this part as a result of the failure of the other party to fulfill its obligations under this part;

(b) The adoption of new or additional conformity assessment requirements as referenced in § 26.73(e) results in a loss of market access for the party’s products within the scope of subpart B of this part because conformity assessment bodies (CAB’s) designated by the party in order to meet such requirements have not been recognized by the party implementing the requirements; or

(c) The other party fails to maintain legal and regulatory authorities capable of implementing the provisions of this part.